

AGENDA

RETIREMENT AND INDEPENDENT ENTITIES COMMITTEE

UTAH LEGISLATURE

Tuesday, November 13, 2007 – 4:00 p.m. – Room W110 House Building

(Approximate
Time Frame)

- 4:00** **1. Committee Business**
- Approval of the minutes of the November 13, 2006 meeting
- 4:05** **2. Public Employee Health Program (PEHP) Administrative Policies**
- 4:30** **3. Retirement Issues:**
- a. Employee Selected Defined Benefit/Defined Contribution Option**
During the 2007 General Session H.B. 377 Retirement Benefits Amendments was introduced but did not pass. The bill would have provided an optional defined contribution retirement plan for public employees.
- 4:55** **b. Enhanced Public Safety Retirement Systems COLA Option (Draft Legislation)**
The maximum cost-of-living adjustment in the Public Safety Retirement System is 2.5 percent while all others it is 4 percent. What is the history of this difference? Should the Public Safety COLA be increased? What are the costs of an increase? How could it be accomplished?
- 5:15** **c. Public Safety Retirement Death Benefit Modifications (Draft Legislation)**
For public safety retirees, the death benefit for a retiree's spouse is 65 percent of the retirement allowance that was being paid to the retiree at the time of death. For firefighter retirees, the death benefit is 75 percent.
- Sen. Jon Geiner
- 5:30** **d. Public Employee Benefit Approval Provisions (Draft Legislation)**
Under Section 49-20-401 Utah Code, upon approval of the Retirement Board and the Legislature, PEHP determines the benefits and rates for state employees' health coverage. These decisions have significant budget implications and have resulted in recent discussions regarding the Legislature's role in the process.
- 6:00** **e. Retirement Death Benefits and Divorce Revisions (Draft Legislation)**
A death benefit is provided to public employees in the contributory and noncontributory retirement system under a group life insurance policy. For the other systems, the death benefit is part of the defined benefit. When a court issues a domestic relations order to split assets in association with a divorce, there is currently no provision for the potential splitting of the group life insurance policy.
- Sen. Lyle Hillyard

- 6:15** **f. Divestment of Certain Retirement Fund Investments (*Draft Legislation*)**
The Utah State Retirement Systems have some \$19.8 billion in assets that are broadly invested in the market place for the benefit of the members. Nationally, concern has been raised over whether some investments of trust funds like the Utah State Retirement Systems have holdings in countries that have terrorist ties.
- Rep. Julie Fisher
- 6:30** **g. Restrictions on Additional Retirement Contributions After Retirement (*Draft Legislation*)**
Under Section 49-11-504 of the Utah Code, a participating employer is required to contribute the same percentage of the retiree's salary that would be contributed if the employee were an active member who is eligible to earn retirement service credit. The contribution is deposited into a qualified defined contribution plan.
- 6:45** **4. Other Employee Compensation Issues**
- 7:15** **5. Other Committee Business**
- 6. Adjourn**